

PLUMAS COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT



December 7, 2006

Shahla Farahnak
State Water Resources Control Board
Division of Financial Planning
1001 I Street, 16th Floor
Sacramento, CA 95814

Tracy Billington
Department of Water Resources
Division of Planning and Local Assistance
P.O. Box 942836
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**Re: Comments on IRWM Implementation Grant Program
Draft Funding Recommendations and Scoring of Upper Feather River
Watershed and Water Quality Improvement Project – PIN 10061**

Dear Ms. Farahnak and Ms. Billington:

Please accept the following comments of Plumas County and the Plumas County Flood Control and Water Conservation District on the draft funding recommendations for the first round of IRWM implementation grants and the scoring of the grant application for the Upper Feather River Watershed and Water Quality Improvement Project.

1. Work Plan

The Work Plan for the Upper Feather River proposal appears to have been excessively downgraded in the scoring due to the nature of the proposed projects and their dependence upon grant funding to proceed. While the application of civil engineering standards for traditional infrastructure projects was certainly necessary for evaluating most of the IRWM grant proposals, similar yardsticks should not be used to determine the readiness to proceed or overall viability of watershed and environmental improvement projects in a disadvantaged community. Where a number of the IRWM proposals recommended for funding have a funding match upwards of 70 percent, 80 percent, or 90 percent of the project cost, it is evident that those projects will proceed regardless of grant funding and therefore have already undertaken permitting processes and design work. With projects such as those in the Upper Feather River proposal that are dependent upon award of a grant, it is impossible to provide plans and specifications or submit permits that have already been issued.

It is not common to have on-the-shelf, engineered designs completed for environmental improvement projects due to changing environmental conditions that are as significant as conventional engineering inflation-related cost adjustments and technology-related

changes. For the types of projects included in the Upper Feather River proposal, it should be sufficient to determine readiness to proceed by looking at sample treatment designs and evaluating the applicant's implementation track record. Also, watershed and environmental improvement projects cannot be expected to have permits one to two years before implementation. Most environmental permits expire within a year or less of issuance.

2. Statewide Priorities

The reviewers' comments on the Upper Feather River proposal note that the application mentions temperature and mercury, but does not appear to implement a TMDL that is existing or under development. The grant application noted that the North Fork of the Feather River had been proposed for 303(d) listing based on impairments for temperature and mercury, and since the application was submitted the North Fork had indeed been listed as such by the State Water Resources Control Board.

The reviewers' comments also state that there appears to be a limited degree of certainty that the Statewide Priorities claimed can be achieved. That comment appears to go to the magnitude of the proposal's impacts, since the benefits of the proposed projects were fully quantified in the applications and accepted by the reviewers. It is clear that the magnitude of benefits of most of the proposals that have been recommended for funding exceed the benefits of the Upper Feather River proposal, but the scope and budgets for those other projects are not comparable. The smallest of the proposals recommended for funding has four times the budget of the Upper Feather River proposal, and the largest is more than 40 times the size. The magnitude of benefits of any proposal should be evaluated in the context of the cost to all of the taxpayers and ratepayers who will foot the bill, and not just in relation to the amount of the IRWM grant.

If the IRWM program is attempting to use its funds to leverage other expenditures to advance Statewide Priorities, then consideration needs to be given to the impact of a grant award on the fate of each proposal. If the choice is between a project that will proceed regardless of grant funding and one that will be left on the shelf, then an actual impact in advancing Statewide Priorities can only be achieved by funding the latter. As noted above, at least half of the proposals recommended for funding will likely proceed regardless of whether an IRWM grant is awarded. Similarly, where one-half to two-thirds of each of the remaining proposals are being implemented with matching funds, it is likely that at least certain projects within each of those proposals will still proceed. In contrast, with a funding match of only 29 percent, the projects in the Upper Feather River proposal will not be implemented unless and until other outside funding can be obtained.

Another consideration is that the benefits provided by the Upper Feather River proposal in terms of hydro-electric generation, State Water Project water supply, and flood attenuation extend well beyond the boundaries of the region itself. Unfortunately, there

is not sufficient local benefit for the residents of the region to undertake the projects on their own. In that context, the funding made available through the IRWM grant program is one of the few opportunities for funds from the people of California to be invested in the Upper Feather Region for extra-regional benefit.

3. Funding Match

Although a funding match of 29 percent was presented in the application to demonstrate the contribution of local, federal, and private funds to the Upper Feather River proposal, the status of the Upper Feather River region as a disadvantaged community was also presented in the Step 1 application and accepted by the reviewers. The application did not request a waiver of the match requirement, and we believe the application should have received the mandatory 3-point score for a disadvantaged community as well as the 2 points awarded for the 29 percent match, for a total of 5 points.

Sincerely,

A handwritten signature in brown ink that reads "Brian L. Morris". The signature is written in a cursive, slightly slanted style.

Brian L. Morris
General Manager, Plumas County Flood Control and Water Conservation District
Deputy County Counsel, County of Plumas